

PACT
Request for Proposals (RFP) Committee Meeting
May 9, 2013
State Capitol S-106

Pursuant to public notice, a PACT Request for Proposals (RFP) Committee meeting was held on May 9, 2013. The meeting was called to order by Chairman Boozer at 3:05 p.m.

Present:

Chairman Young Boozer

Jimmy Stubbs

Patti Lambert (by phone)

Others Present:

Daria Story, Assistant State Treasurer

Chad Wright, PACT Director

Chairman Boozer asked Mr. Wright and Mrs. Story to provide a summary of the proposals received in response to the RFP issued March 15, 2013 for financial auditing services. They provided information on the firms' overall experience providing auditing services, their experience with similar college savings programs and an analysis of the proposed fees for each firm. All firms are well respected and capable of performing the auditing services. Of the three responses received, two of the firms had performed auditing services for PACT in the past. The current provider (Mauldin-Jenkins) has been under contract for the past 5 years. Prior to that, Jackson-Thornton had provided these services for 16 years. It was noted that selecting Jackson Thornton would Provide an estimated cost savings of \$50,000 - \$85,000 over the course of a 5 year contract.

Mr. Stubbs made a motion to recommend the Board consider Jackson-Thornton, seconded by Chairman Boozer, with unanimous consent from the committee. Jackson Thornton will present to the Board at its next meeting.

Mr. Wright and Mrs. Story then provided a summary of the proposals received in response to the RFP issued March 11, 2013 for records administration services. They provided information on the firms' overall experience providing records administration services, their experience with similar college savings programs and an analysis of the proposed fees for each firm. Each firm proposed a turnkey solution similar to the one PACT currently uses, and a proposal for PACT to lease the software and manage the database system inhouse. Mr. Wright and Mrs. Story summarized conversations with the state plan that is currently contracted with Libera that has provided the service for 2.5 years. The current provider (HDI) has provided records administration services to PACT for the past 10 years and has provided services successfully and efficiently. The committee discussed the second proposal by HDI that would allow PACT to manage the database system in-house at a substantial cost savings. This solution would entail a transition period; however, it is expected to be a smooth transition with the aid

of HDI. HDI included a listing of additional services in its proposal that would aid in the transition. After discussion, the committee concluded that HDI best met the current needs of PACT. It is estimated that cost savings will be \$750,000 to \$1 million over the course of a 5 year contract. Mrs. Story also relayed several conversations that she and Mr. Wright had with representatives from the State of Virginia. They manage an in-house database system that five other prepaid states utilize on a lease basis. The cost would have been comparable to the HDI lease proposal.

Chairman Boozer made a motion to recommend the Board consider HDI, seconded by Mr. Stubbs, with unanimous consent. HDI will present at the board meeting.

There being no further business, the meeting was adjourned at 3:25 p.m.